



E-534-1

UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Export Administration
Washington, D.C. 20230

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Teledyne Allvac/Vasco Marketing
2020 Ashcraft Avenue
Monroe, North Carolina 28110-0531

Attention: Mr. Richard J. Harshman
Senior Vice President, Finance and Administration

Dear Mr. Harshman:

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce ("BXA"), hereby charges that Teledyne Allvac/Vasco Marketing ("Allvac") has violated Section 787.6 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 768-799 (1996), as amended (61 Fed. Reg. 12714, March 25, 1996))¹ (the "Regulations"),² issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1996)) (the "Act"),³ as set forth below.

Facts constituting violations:

CHARGES 1-48

On 48 separate occasions, the first on or about September 20, 1991 and the last on or about June 25, 1993, Allvac exported titanium alloy solid cylindrical forms with diameters greater

¹ The March 25, 1996 Federal Register publication redesignated, but did not republish, the existing Regulations as 15 C.F.R. Parts 768A-799A. In addition, the March 25th Federal Register publication restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996.

² The Regulations governing the violations at issue are found in the 1991, 1992 and 1993 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1991, 1992 and 1993)).

³ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices on August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)) and August 14, 1996 (61 Fed. Reg. 42527, August 15, 1996), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706) (1991 & Supp. 1996)).



than three inches from the United States to various countries without obtaining from BXA the validated licenses required by Section 772.1(b) of the Regulations. Each of those exports is described more fully on the enclosed schedule, which is incorporated herein by this reference. By exporting a commodity to any person or destination or for any use in violation of or contrary to the terms, provisions, or conditions of the Act, or any regulation, order, or license issued thereunder, Allvac violated Section 787.6 of the Regulations in connection with each export, for a total of 48 violations.

CHARGE 49

On or about October 22, 1991, Allvac exported maraging steel to Germany without obtaining from BXA the validated license required by Section 772.1(b) of the Regulations. By exporting a commodity to any person or destination or for any use in violation of or contrary to the terms, provisions, or conditions of the Act, or any regulation, order or license issued thereunder, Allvac violated Section 787.6 of the Regulations.

BXA alleges that Allvac committed a total of 49 violations of the Regulations.

Accordingly, Allvac is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an Order imposing administrative sanctions, including any or all of the following:

Denial of export privileges (see Section 764.3(a)(2), Section 788A.3(a)(1), and Section 788A.3(a)(2) of the Regulations);

Exclusion from practice (see Section 764.3(a)(3) and Section 788A.3(a)(3) of the Regulations); and/or

Imposition of the maximum civil penalty allowed by law of \$10,000 per violation (see Section 764.3(a)(1) and Section 788A.3(a)(4) of the Regulations).

Copies of relevant Parts of the Regulations are enclosed.

If Allvac fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter as provided in Section 766.6 of the Regulations, that failure will be treated as a default under Section 766.7.

Allvac is further notified that it is entitled to an agency hearing on the record as provided by Section 13(c) of the Act and Section 766.6 of the Regulations if a written demand for one is filed with its answer, to be represented by counsel, and to seek a settlement.

Allvac's answer should be filed with the Administrative Law Judge/Export Control, U.S. Department of Commerce, Room H-6839, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230, in accordance with the instructions in Section 766.5(a) of the Regulations. In addition, a copy of Allvac's answer should be served on BXA at the address set out in Section 766.5(b), adding "ATTENTION: C. Randall Pratt, Esq." below the address. Please note that the room number for BXA is H-3839. Ms. Pratt may be contacted by telephone at (202) 482-5304.

Sincerely,

Mark D. Menefee
Acting Director
Office of Export Enforcement

Enclosures

Schedule of Violations
Teledyne Allvac/Vasco Marketing

Charge No.	Date	Commodity	Destination	Invoice
1	09/20/91	Titanium (6-4)	UK	75478
2	09/23/91	Titanium (6-4)	Japan	75513
3	10/24/91	Titanium (6-4)	UK	07576321
4	11/22/91	Titanium (6-4)	Ireland	07577118 07577078
5	12/10/91	Titanium (6-4)	Japan	07577436
6	12/10/91	Titanium (6-4)	UK	07577433
7	12/11/91	Titanium (6-4)	Italy	07577539
8	12/12/91	Titanium (6-4)	Japan	07577514
9	12/23/91	Titanium (6-4)	UK	07577807 07577808
10	01/29/92	Titanium (6-4)	China	07578593 07578594 07578548 07578549 07578508 07578509
11	01/30/92	Titanium (6-4)	Germany	07578626
12	02/03/92	Titanium (6-4)	Italy	07578724 07578726
13	02/21/92	Titanium (6-4)	UK	07579344 07579327 07579328 07579332 07579341 07579335 07579336
14	02/24/92	Titanium (6-4)	Germany	07579371
15	02/26/92	Titanium (6-4)	China	07579409
16	03/06/92	Titanium (6-4)	Japan	07579719

17	03/19/92	Titanium (6-4)	UK	07580102 07580103 07580099 07580100 07580098
18	04/16/92	Titanium (6-4)	Germany	07510524
19	04/24/92	Titanium (6-4)	UK	07510777 07510782 07510788
20	04/24/92	Titanium (6-4)	Taiwan	07510752
21	05/11/92	Titanium (6-4)	Israel	07511205
22	05/13/92	Titanium (6-4)	Japan	07511278
23	05/13/92	Titanium (6-4)	Germany	07511300
24	06/15/92	Titanium (6-4)	Ireland	07512178
25	07/08/92	Titanium (6-4)	UK	07512797 07512800 07512802
26	07/22/92	Titanium (6-4)	UK	07513223
27	08/19/92	Titanium (6-4)	UK	07513886 07513885
28	09/11/92	Titanium (6-4)	UK	07514656
29	09/16/92	Titanium (6-4)	UK	07514758 07514765
30	10/08/92	Titanium (6-4)	France	07515428
31	10/14/92	Titanium (6-4)	Israel	07515583
32	10/19/92	Titanium (6-4)	France	07515726
33	10/21/92	Titanium (6-4)	UK	07515795 07515794 07515796
34	10/23/92	Titanium (6-4)	UK	07515866
35	10/28/92	Titanium (6-4)	UK	07515963

36	11/04/92	Titanium (6-4)	France	07516181
37	11/24/92	Titanium (6-4)	Germany	07516774
38	12/31/92	Titanium (6-4)	Germany	07517667
39	02/12/93	Titanium (6-4)	France	07520193
40	02/19/93	Titanium (6-4)	UK	07520556
41	03/05/93	Titanium (6-4)	France	07521469
42	03/10/93	Titanium (6-4)	Taiwan	07521743
43	03/18/93	Titanium (6-4)	UK	07522366
44	04/14/93	Titanium (6-4)	France	07523751
45	04/30/93	Titanium (6-4)	Ireland	07524914
46	05/10/93	Titanium (6-4)	Ireland	07525426
47	05/24/93	Titanium (6-4)	UK	07526249
48	06/25/93	Titanium (6-4)	UK	07528347
49	10/225/91	Maraging Steel	Germany	29591

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UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)
)
ALLVAC)
2020 Ashcraft Avenue)
Monroe, North Carolina 28110-0531,)
)
Respondent)

SETTLEMENT AGREEMENT

This Agreement is made by and between Allvac, an Allegheny Teledyne Incorporated company (Allvac)¹ and the Bureau of Export Administration, United States Department of Commerce, pursuant to Section 766.18(a) of the Export Administration Regulations (15 C.F.R. Parts 768-799 (1996), as amended (61 Fed. Reg. 12714 (March 25, 1996)) (the Regulations),² issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1996)) (the Act).³

¹ Allvac is a division of Teledyne Industries, Inc., which became an indirect subsidiary of Allegheny Teledyne Incorporated in August 1996. Allvac was previously known as "Teledyne Allvac" and as "Teledyne Allvac/Vasco Marketing."

² The March 25, 1996 Federal Register publication redesignated, but did not republish, the existing Regulations as 15 C.F.R. Parts 768A-799A. In addition, the March 25th Federal Register publication restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996.

³ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)) and August 14, 1996 (61 Fed. Reg. 42527, August 15, 1996), continued

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Whereas, the Office of Export Enforcement, Bureau of Export Administration, United States, Department of Commerce (BXA), has notified Allvac of its intention to initiate an administrative proceeding against it pursuant to the Act and the Regulations, based on allegations that:

1. On 48 separate occasions, the first on or about September 20, 1991 and the last on or about June 25, 1993, Allvac exported titanium alloy solid cylindrical forms with diameters greater than three inches from the United States to various countries without the required validated licenses, in violation of Section 787.6 of the Regulations; and

2. On or about October 22, 1991, Allvac exported maraging steel to Germany without the required validated license, in violation of Section 787.6 of the Regulations;

Whereas, Allvac has reviewed the proposed Charging Letter and is aware of the allegations made against it and the administrative sanctions which could be imposed against it if the allegations are found to be true; it fully understands the terms of this Settlement Agreement and the proposed Order; it enters into this Settlement Agreement voluntarily and with full knowledge of its rights, and it states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1996)).

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Whereas, Allvac neither admits nor denies the allegations contained in the proposed Charging Letter;

Whereas, Allvac wishes to settle and dispose of all matters based on the facts alleged in the proposed Charging Letter by entering into this Settlement Agreement; and

Whereas, Allvac agrees to be bound by an appropriate Order giving effect to the terms of this Settlement Agreement, when entered (appropriate Order);

Now Therefore, Allvac and BXA agree as follows:

1. BXA has jurisdiction over Allvac, under the Act and the Regulations, in connection with the matters alleged in the proposed Charging Letter.

2. BXA and Allvac agree that the following sanction shall be imposed against Allvac in complete settlement of the alleged violations of the Act and Regulations set forth in the proposed Charging Letter:

- (a) Allvac shall be assessed a civil penalty of \$122,500, \$75,000 of which shall be paid to BXA within 30 days of the date of entry of an appropriate Order. Payment of the remaining \$47,500 shall be suspended for a period of one year from the date of entry of the appropriate Order and shall thereafter be waived, provided that, during the period of suspension, Allvac has committed no violation of the Act, or any regulation, order, or license issued thereunder.

(b) As authorized by Section 11(d) of the Act, the timely payment of the civil penalty agreed to in paragraph 2(a) is hereby made a condition to the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Allvac. Failure to make timely payment of the civil penalty shall result in the denial of all of Allvac's export privileges for a period of one year from the date of entry of the appropriate Order imposing the civil penalty.

3. Allvac agrees that, subject to the approval of this Settlement Agreement pursuant to paragraph 8 hereof, it hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Settlement Agreement or the appropriate Order, when entered), including, without limitation, any right: (a) to an administrative hearing regarding the allegations in the proposed Charging Letter; (b) to request a refund of the civil penalty imposed pursuant to this Settlement Agreement and the appropriate Order, when entered; and (c) to seek judicial review or otherwise to contest the validity of this Settlement Agreement or the appropriate Order, when entered.

4. BXA agrees that, upon entry of an appropriate Order, it will not initiate any administrative proceeding against Allvac, its parent or affiliated companies, or the officers, directors or employees of the foregoing, in connection with any violation of

the Act or the Regulations arising out of the transactions identified in the proposed Charging Letter.

5. Allvac understands that BXA will make the proposed Charging Letter, this Settlement Agreement, and the appropriate Order, when entered, available to the public.

6. BXA and Allvac agree that this Settlement Agreement is for settlement purposes only. Therefore, if this Settlement Agreement is not accepted and an appropriate Order is not issued by the Assistant Secretary for Export Enforcement pursuant to Section 766.18(a) of the Regulations, BXA and Allvac agree that they may not use this Settlement Agreement in any administrative or judicial proceeding and that neither party shall be bound by the terms contained in this Settlement Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the appropriate Order, when entered, nor shall this Settlement Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

8. This Settlement Agreement shall become binding on BXA only when the Assistant Secretary for Export Enforcement approves it by entering an appropriate Order, which will have the same

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force and effect as a decision and Order issued after a full administrative hearing on the record.

BUREAU OF EXPORT ADMINISTRATION,
U.S. DEPARTMENT OF COMMERCE

ALLVAC

BY: Mark D. Menefee
Mark D. Menefee
Acting Director
Office of Export Enforcement

Date: 1/15/97

BY: Jon D. Walton
Jon D. Walton
Vice President-General Counsel
and Secretary
Allegheny Teledyne
Incorporated

Date: 1/15/97

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E-534-13

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)
)
ALLVAC)
2020 Ashcraft Avenue)
Monroe, North Carolina 28110-0531,)
)
Respondent)

ORDER

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), having notified Allvac (formerly known as Teledyne Allvac/Vasco Marketing) of its intention to initiate an administrative proceeding against it pursuant to Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1996)) (the Act),¹ and the Export Administration Regulations (15 C.F.R. Parts 768-799 (1996)), as

¹ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)) and August 14, 1996 (61 Fed. Reg. 42527, August 15, 1996), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1996)).

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amended (61 Fed. Reg. 12714 (March 25, 1996)) (the Regulations),²
based on allegations that:

1. On 48 separate occasions, the first on or about September 20, 1991 and the last on or about June 25, 1993, Allvac exported titanium alloy solid cylindrical forms with diameters greater than three inches from the United States to various countries without the required validated licenses, in violation of Section 787.6 of the Regulations; and

2. On or about October 22, 1991, Allvac exported maraging steel to Germany without the required validated license, in violation of Section 787.6 of the Regulations; and

BXA and Allvac having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$122,500 is assessed against Allvac, \$75,000 of which shall be paid to BXA within 30 days of the date of this Order. Payment of the remaining \$47,500 shall be suspended for a period of one year from the date of entry of this Order and shall thereafter be waived, provided that, during

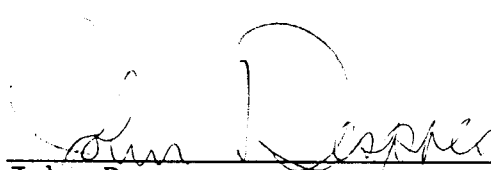
² The March 25, 1996 Federal Register publication redesignated, but did not republish, the existing Regulations as 15 C.F.R. Parts 768A-799A. In addition, the March 25th Federal Register publication restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996.

the period of suspension, Allvac has committed no violation of the Act, or any regulation, order, or license issued thereunder. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, as authorized by Section 11(d) of the Act, the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Allvac. Accordingly, if Allvac should fail to pay in a timely manner the civil penalty set forth above, the undersigned will enter an Order under the authority of Section 11(d) of the Act denying all of Allvac's export privileges for a period of one year from the date of this Order.

THIRD, that the proposed Charging Letter, the Settlement Agreement, and this Order shall be made available to the public.

This Order, which constitutes the final agency action in this matter, is effective immediately.


John Despres
Assistant Secretary
for Export Enforcement

Entered this 22ND day of JANUARY, 1997.

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UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

BUREAU OF
EXPORT
ADMINISTRATION

FOR IMMEDIATE RELEASE:
January 22, 1997
BXA-97-02

CONTACTS: Eugene Cottilli
Susan Hofer
(202) 482-2721
bxa.doc.gov

**NORTH CAROLINA MANUFACTURER AGREES TO
CIVIL PENALTY TO SETTLE CHARGES
OF ILLEGAL EXPORTS**

WASHINGTON -- The Commerce Department today imposed a \$122,500 civil penalty on Allvac, a Monroe, North Carolina, manufacturer, to settle allegations of 49 violations of the Export Administration Regulations, John Despres, assistant secretary for Export Enforcement, announced.

The Department alleged that Allvac made forty-eight shipments of titanium alloy products from the United States to Australia, China, France, Ireland, Israel, Italy, Japan, Germany, Switzerland, Taiwan, and United Kingdom and one shipment of a maraging steel product from the United States to Germany, all without the required U.S. export licenses. The shipments occurred from September 1991 to June 1993. The export of these titanium products and the maraging steel product from the United States are controlled for nuclear nonproliferation reasons.

Allvac voluntarily disclosed these shipments to the Department, and the Department agreed to suspend payment of \$47,500 of the penalty for one year and then to waive payment of that amount provided Allvac commits no violation of the regulations during that period.

Commerce's Office of Export Enforcement Washington Field Office investigated the case.

Commerce's Bureau of Export Administration administers and enforces export controls for reasons of national security, foreign policy, nonproliferation and short supply. Criminal penalties, as well as administrative sanctions, can be imposed for violations of the regulations.